

## **Sick Leave FERS-Style**

My, how time flies. And the changes it brings with it. Federal Employees Retirement System (FERS) – a retirement system shunned by most Civil Service Retirement System (CSRS) employees and required by law of all new employees – now has more employees in it than CSRS. And, as more and more of those FERS employees approach retirement, they're beginning to ask an important question: "Why can't my unused sick leave be added to my earned service credit the way it can with CSRS employees?" Good question!

Decades ago, CSRS employees didn't get any credit for unused sick leave either. Congress granted them that privilege in exchange for an increase in their retirement contributions, which went from 6.5 to 7 percent. However, when the FERS law was enacted, Congress made a conscious decision not to allow employees in that new system to get credit for unused sick leave. There's nothing in the official record that says why.

In a recent study by the Congressional Research Service (CRS), it was noted that sick leave use for both CSRS and FERS employees has increased since the law was changed for CSRS employees in 1969. They suspected that part of the reason is that the number of situations in which sick leave can be used has grown to cover such things as caring for family members and adoption.

Nevertheless, CRS's review of the data revealed that when the sick leave use of CSRS and FERS-covered employees was compared, FERS employees used much more than CSRS employees; and FERS employees approaching retirement used more still. Also of interest was the fact that the sick leave balances of FERS employees were only about half as large as similarly-situated CSRS employees.

Contrary to popular opinion, CRS discovered that the crediting of sick leave in the private sector and state and local governments is quite common. While many of these organizations limit the amount of sick leave that can be carried from one year to the next, they often allow their employees to get credit for their unused leave. Some do it by letting them cash it in, others by allowing them to convert it into some other benefit.

In conclusion, the CRS study offered two policy options. The first was the obvious one: strictly enforce sick leave rules. The second would be to create an incentive for FERS employees to conserve their sick leave, just as many non-federal organizations do. The study concludes with this statement: "A threshold question for Congress, however, is whether any change is needed in the current policy regarding FERS employees' unused sick leave. It could direct OPM to undertake a comprehensive study of the issue or take other steps short of initiating a new policy." Congress could do that, but will it?